



30 June 2018

Mr Ian Carruthers

Chairman International Public Sector Accounting Standards Board

529 Fifth Avenue New York, NY 10014 USA

Dear Ian

Strategy and Work Plan 2019-2023 Consultation Document

Samata and mines, minerals and People represents the mining industry affected communities all across India. We make this submission on behalf of our members and in the broader public interest.

Do you agree with the IPSASB's proposed Strategic Objective 2019– 2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain your reasoning and your proposed alternative.

A specific mechanism may also be needed to identify relevant emerging financial reporting issues that the IPSASB would need to address in the public sector-specific environment . This is mentioned in Theme C, but may be equally relevant to Theme A.

Do you agree with the criteria the IPSASB has used in deciding the proposed issues to add to its Work Plan 2019–2023? If you agree please provide any additional reasoning not already discussed in the document. If you do not agree please explain why, including any proposed alternatives.

Experiences in private sector accounting (also in some cases public sector owned entities) reveal that determining the quantification of and title to natural resources is extremely costly and prone to inexactitude. These factors necessarily limit severely any meaningful depiction of natural resources as an asset in the financial statements of public sector entities. These factors would also be relevant in assessing any benefit from other forms of reporting.

Following well-developed accounting practices for minerals in the private sector, these changes should be made in the main Government Accounts, not just the green accounts. This would help ensure effective framing of depletion of minerals as an intergenerational equity issue.

Since mineral receipts are reported as —revenue, and the world is in thrall with GDP growth, more mining is considered better. The overall frame is of immediate individual consumption, instead of judicious saving for our children. This has created a slew of global problems including our environmental crisis, and the great wars for control over natural resources. The loss of value from the commons to the miners (and corrupt politicians) is also a driver of the increasing inequality that Piketty and others have claimed.

Do you agree with the projects that the IPSASB proposes to prioritize for addition to the Work Plan 2019–2023 on Theme A: Setting standards on public sector specific issues (Natural Resources, Discount Rates, Differential Reporting and Conceptual Framework limited-scope Review)? If not please explain your reasoning, and any proposed alternatives.

We recommend that the IPSASB plays a more active role in the development of broader reporting initiatives beyond financial reporting. The prevalence of service performance reporting in the public sector in India indicates this is an important information source on public sector performance. Similarly, we believe reporting on long-term sustainability is likely to increase in significance over time, as has been highlighted through the Social Benefits project. The reporting of natural resources, which has been included as a priority project in the proposed work plan in some instances could also be considered non-financial reporting.

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Are there any projects in Appendix A that you believe should be added to the Work Plan 2019–2023 in place of a currently proposed project? If you believe that any

Appendix A projects should be added, please explain your views on why the project should be included, which proposed project should not then be started and why.

We request that the IPSASB adopt a common trust asset approach towards the accounting, statistical and disclosure standards for minerals. It is clear – given the \$27 tn of public funds involved – that the Resource Curse is possibly the single largest issue facing resource-rich states and nations. This is more than an accounting issue. Properly speaking, it is an ethical and moral issue. It is deeply linked to whether we can as humans change our mental frame. It is also directly connected to the persistent extreme poverty and growing inequality. We therefore request the IPSASB to quickly change their accounting guidance for mining leases to help these countries and their people break/dispel the curse, which has its origins at least in part in faulty government accounting.